# Test Case DI-FHA01: One-Borrower FHA Purchase Loan with Community Second Subordinate Financing

The purpose of this test case is to show lenders how to collect information on the redesigned URLA forms and create an XML submission file to DU for a single borrower purchase with an FHA loan and a community second subordinate loan.

# Narrative for Data Integrity Suite Test Case DI-FHA01:

In this use case, a single URLA-Borrower form is used, along with the URLA-Lender form.

## Key Loan Characteristics

* FHA
* ARM – FHA Hybrid
* 1 Unit - Detached
* Purchase
* Primary Residence
* Alice Firstimer
* Subordinate Financing
* Financed MI

## Other Data Elements Stressed in the Test Case

* FHA Section of the Act
* FHA Lender Identifier
* Mortgage Credit Certificate (MCC) included in GOVERNMENT\_LOAN container
* Seller Concessions

## Section 1: Borrower Information

Alice Firstimer has recently graduated from college and is striking out on her own. Fortunately, she is receiving help from family, government and employer to buy her first home in Dawson, IA.

Alice has a good job at Abacab where she has worked for 2 years, just long enough to qualify for an Employer Housing Assistance Benefit.

## Section 2: Financial Information – Assets and Liabilities

Alice did not think that she would be able to buy a house until several years after she graduated, but she has discovered that there are many sources of assistance available to first-time homebuyers. Her family was the first source of funds with a gift of $5,000. In addition, one of Alice’s assets is a trust account of $15,000 left to her by her grandfather; and, at her request, the trustee will distribute up to $5,000 to her for the purchase of a home. She found a house in Hardwood Estates which teamed with a religious non-profit to give her a $1,000 gift to help with the down payment. Finally, her employer will provide a one-time Employee Benefit in the form of a $2,000 cash payment at the closing. Alice also received a credit of $368 through the payment of Borrower Paid Fees.

Her current liabilities are an outstanding loan with Mountain Bank with a balance of $2,600 and a credit card balance with Hemlocks of $437.

## Section 3: Financial Information – Real Estate

Alice Firstimer does not own any real estate, so this section doesn’t apply on the application.

## Section 4: Loan and Property Information

Alice made an offer of $151,000 on the single family, detached house in Hardwood Estates at 3726 Poplar St, Dawson, IA 50066-1111.

Alice’s total loan amount is $144,993, which is a base amount of $142,500 plus financed Mortgaged Insurance Premium of $2,493.

Fish Bowl Community Lending, a local foundation, was able to provide her with Subordinate Financing of $4,500 in the form of a Community Second Mortgage Loan.

Alice learned that Dallas County has a Mortgage Credit Certificate (MCC) program for first-time homebuyers. She qualifies for this benefit which will provide her with $150 per month in the form of a federal tax credit. The seller has also agreed to a $750 sales concession.

## Section 5 Declarations, Section 6, Section 7 Demographics, and Section 8 Loan Originator

## Alice Firstimer answered all the declarations and signed the loan application. Alice met the lender in person and her gender, race and ethnicity was determined by the lender. The loan originator also provided their information.

## Lender Loan Information

John Done at ABC Mortgage offered an FHA Hybrid ARM loan of $142,500 with an initial rate of 3.250%. The entire Mortgage Insurance Premium of $2,493 will be financed making the total loan amount $144,993.

Estimated closing costs are $1,800 plus prepaid items of $799. The Seller will contribute $2,000 toward closing costs.